

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:) Bankruptcy No. 21-21712-CMB
)
Eustace O. Uku, Debtor) Chapter: 13
)

OBJECTION TO CONFIRMATION OF PLAN

Introduction and Case History:

1. On the evening of July 29, 2021, the Debtor, Eustace O. Uku (“Debtor”) filed a Voluntary Petition under Chapter 13.

2. Creditor, Charles A. Knoll, Jr. (“Knoll”), filed a response to the Motion and requested a Rule to Show Cause pursuant to this Court’s dismissal of Debtor’s previously dismissed Chapter 13 Bankruptcy. The Court issued a Rule to Show Cause as to why Debtor’s bankruptcy should not be dismissed with prejudice.

3. Debtor’s previous bankruptcy was wrought with fraud, including but not limited to failure to list property belonging to the estate and fraudulent filings. In addition, Debtor’s candor with this Court was nonexistent. At the hearing on August 12, 2021, the Court specifically noted that any issues would be scrutinized.

4. The Court also discussed that Debtor’s Counsel and Knoll’s Counsel should confer as related to an appraisal of a certain piece of property owned by Debtor which he is falsely undervaluing (Farmington Road Property) in order to remain in the property under the proposed Plan and to avoid any payments to Knoll, a secured judgment creditor.

5. Specifically, Debtor is attempting to cramdown or strip down Knoll's lien on the Farmington Road Property by claiming the mortgage holder and his Debtor's exemptions exceed the equity/value in the home.

6. In addition, it is believed Debtor is undervaluing other assets which were previously undisclosed in the previous bankruptcy.

7. Knoll also intends to file an adversarial proceeding as Debtor's debt to Knoll is not dischargeable as it was obtained through fraud and embezzlement, and Debtor owed Knoll a fiduciary duty. Such was held by the lower court entering the judgment against Debtor.

8. The Court scheduled a status conference for September 2, 2021 with regard to the Rule to Show Cause hearing and other pending matters, including the appraisal.

9. On September 2, 2021, the status conference was held and the Rule to Show Cause hearing was continued until October 28, 2021 so that the parties could obtain an appraisal of the Farmington Road Property. Knoll also will seek an independent appraisal.

10. As of this time, the appraisal is pending and the hearing on the Rule to Show Cause may result in the dismissal of this bankruptcy for fraud or other improper conduct or the amendment of the proposed plan depending on the valuation of the property of the Estate.

11. In addition, Debtor is in process of selling other property (including but not limited to the Old Mill Property) of the estate which he has represented could bring significant value to the estate and, as a secured creditor, no portion of the plan accounts for payments to Knoll from such additional assets.

12. Further, the confirmation of plan hearing is set for the same date as the first creditors meeting. This does not afford Knoll time to properly review any information produced or testimony procured at the hearing in order to object to the plan or otherwise.

13. Confirmation of the plan on September 20, 2021 is premature as the pending rule to show cause hearing will determine whether the bankruptcy filing itself is truthful, and whether it should be dismissed or amended, which would impact the plan. Further, the appraisal of Farmington Road and the pending sale of Old Mill Road and other assets would impact how Knoll is treated, which is not addressed in the current plan.

14. The Plan should not be confirmed; alternatively, Knoll does not object to an interim confirmation of the plan provided that these objections as stated and possibly amended will be heard before any final confirmation and after the appraisals are obtained and Rule to Show Cause hearing scheduled for October 28, 2021.

Respectfully Submitted,

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